

ORDINANCE NO. 024-132

AN ORDINANCE AUTHORIZING THE
PURCHASE OF CYBERSECURITY
INSURANCE COVERAGE FOR
POLICY YEAR NOVEMBER 1, 2024
THROUGH OCTOBER 31, 2025

WHEREAS, The Chicago Transit Authority ("Authority") has a brokerage contract with Alliant Insurance Services, Inc. ("Alliant") and its disadvantaged business enterprise (DBE) subcontractor, Paradigm Risk Management, for professional insurance brokerage services; and

WHEREAS, The Authority directed Alliant to engage in a competitive process to identify insurance carriers that could provide cyber insurance to the Authority; and

WHEREAS, Alliant approached the insurance market aggressively, submitting the Authority's underwriting submission for cyber insurance coverage to approximately fifty insurance carriers; and

WHEREAS, Staff recommends the purchase of cyber insurance from Associated Industries Insurance Co., Inc. ("AmTrust") for a not-to-exceed amount of Three Hundred Thousand Dollars (\$300,000.00) for a coverage limit of Five Million Dollars (\$5,000,000.00) for policy year November 1, 2024 to October 31, 2025; and

WHEREAS, The cyber insurance policy includes coverage for damages due to the failure to protect or wrongful release of confidential personal information, costs to provide notification to those affected, defense costs and payment of fines related to regulatory agency actions, forensic costs for experts and attorneys to determine the cause and severity of a breach, payments demanded in connection with third-party ransomware attacks, and loss of business revenues related to an interruption or suspension of computer systems due to a security breach; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The General Counsel of the Authority, or designee, is authorized to enter into an insurance contract with Associated Industries Insurance Co., Inc. for cyber insurance coverage with a coverage limit of Five Million Dollars (\$5,000,000.00) for policy year November 1, 2024 to October 31, 2025, for a not-to-exceed amount of Three Hundred Thousand Dollars (\$300,000.00).

SECTION 2. The Chairman of the Chicago Transit Board, or designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

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SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

October 9, 2024

Secretary

October 9, 2024